

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 91

March 24, 2011

SUMMARY OF BILL: Requires the State Treasurer to divest any direct holdings of the Tennessee Consolidated Retirement System (TCRS) in companies that have substantial current operations in Sudan.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$129,800/One-Time

Increase Federal Expenditures - \$22,000/One-Time

Increase Local Expenditures - \$156,200/One-Time*

Assumptions:

- According to the Department of Treasury, the one-time divestment costs associated with this bill will be approximately \$308,000. The market value of assets divested will be approximately \$154,000,000.
- Based on information provided by the TCRS, the divestment costs will be apportioned approximately 42.15 percent state; 7.14 percent federal; and 50.71 percent local government.
- The one-time increase in state expenditures will be \$129,822 ($\$308,000 \times 42.15\%$).
- The one-time increase in federal expenditures will be \$21,991 ($\$308,000 \times 7.14\%$).
- The one-time increase in local government expenditures will be \$156,187 ($\$308,000 \times 50.71\%$).

**Article II, Section 24 of the Tennessee Constitution provides that: No law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with a large initial "J" and "W".

James W. White, Executive Director

/rnc